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School Property Tax Control Board Meeting Minutes September 16, 2004

Minutes and Discussion: August 19, 2004 meeting minutes.

MSD of Pike Township, Marion County: Officials requested approval of a pension bond issue in the amount of \$7,500,000. The tax rate impact of the bond issue is \$0.0161. The term of the bond is 12 years. The Neutrality Resolution states the Capital Projects and/or Bus Replacement funds will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Linda Searles, Director of Business Management; Colette Irwin-Knott, HJ Umbaugh and Jane Herndon, Ice Miller.

Comments: Ms. Searles spoke about the proposed pension bond issue. Officials have negotiated a buy out and the contract was ratified on August 9, 2004 and the school board approved it on August 12, 2004. The bond issue will eliminate the unfunded liability. They feel the bond issue request of \$7.5 million is low for a school corporation their size. The tax rate impact of the bond issue is \$0.016 and the Capital Projects and Bus Replacement funds will be reduced to offset the debt. Officials do not anticipate a hardship in the funds due to the reduction.

Ms. Bond asked if there was a signed neutrality resolution. Ms. Searles said yes and it has been submitted.

Ms. Henson asked about the reimbursement listed on the hearing information sheet. Ms. Searles explained it was for pension costs paid out for 2001-2002, 2002-2003 and 2003-2004. Ms. Henson asked why these were called reimbursement when they are actually pension costs. Ms. Searles said there were 8 to 10 individuals that wanted to remain on the old plan. Ms. Herndon said it was not uncommon for those close to retirement to not want to be part of the new plan. Ms. Henson asked if the reimbursement was still part of the June 30, 2001 liability and Ms. Herndon replied yes.

Mr. Roberson asked if this bond issue eliminates the unfunded liability and Ms. Searles replied yes.

Motion: Mr. Bowen made a motion to approve a pension bond in the amount of \$7.5 million. Mr. Nemeth seconded the motion, which favorably carried 6-0. Mr. Barnes and Mr. Bronnert were not in attendance.

Noblesville Schools, Hamilton County: Officials requested approval of a lease rental agreement with maximum annual payments of \$4,500,000 for a term of 20 years. The total project costs are \$49,600,000. The tax rate impact of the project is reported on the hearing information sheet as minimal, with a new facility appeal rate impact of \$0.04 expected. The common construction wage scale was opposed by the State Federation of Labor representative and the Governor's representative refused to sign. There was no application for a petition and remonstrance process.

Present for the hearing was Lynn Lehman, Superintendent; Paul Kaiser, Assistant Superintendent; Jack Hittle, School Attorney; Jerry Rolfson, Architect; Randy Ruhl, City Securities and Jane Herndon and Jim Shanahan, Ice Miller.

Project: District administrators and the school board are looking to options to accommodate growth at Noblesville High School, specifically, the use of the current intermediate school as a freshman center and construction of a new intermediate school for grades 5 and 6.

When Noblesville High School opened in 1996, NHS greeted 1,680 students and then saw the enrollment drop the next fall to 1,642. Since that second-year low, enrollment has climbed to 1,943. More than 2,000 students are expected this fall and enrollment will continue to grow as larger classes move through the lower grades and into high school.

With incoming freshman classes nearing and eventually exceeding the 600 mark, creation of a freshman center will allow the school district to accommodate the anticipated growth in enrollment at the high school level for at least 10 years and at the same time allow NHS to focus on the academic and social skills of ninth-grade students.

The close proximity of the current intermediate school to the high school makes that building the preferred location for the freshman center. The proposed site of the new intermediate school is just north of 196th Street between Hague Road and James Road near the population center of the school district.

The new Noblesville Intermediate School will be designed to accommodate 1,400 students in the 5th and 6th grades. The facility will have a total of 56 grade level classrooms with additional provisions for special needs children. The total gross square footage of the facility is approximately 252,000 square feet.

Comments: The Superintendent spoke about the project. The proposed project involves the construction of a new intermediate school. An eleven-member task force was formed in early 2003 to review facility needs. A professional development contract was signed with Odle, McGuire & Shook to discuss needs. Information was sent out to the community regarding the study. The proposed intermediate school will house grades 5 and 6. The conclusions of the task force were efficiency, fiscal responsibility and academic programs. The capacity at the high school is 2,005 students and they will soon meet it as larger classes are moving through the system. They will create space at the high school by moving the ninth grade out. The cost to add on to the high school was 80% of the cost of a new intermediate school. Officials feel

separating the ninth grade into a separate facility will allow them to deal with them more effectively.

The Assistant Superintendent continued the discussion. The capacity of the new intermediate school will be 1,400 students. The school will include four general-purpose computer labs and two labs for computer courses, a gymnasium with balcony and two wellness areas. There are 8,000 homes approved for construction that have yet to be built. The intermediate school has the potential for easy transition to a middle school if this becomes necessary in the future. The facility will be very functional, but not extravagant.

Ms. Johnson noted an elementary school was mentioned in the materials submitted. The Superintendent replied it was presented at the 1028 hearing to the public. Officials wanted to present an accurate future impact, but are not sure when they will address elementary needs. Ms. Johnson asked if the school owned the land for the new intermediate school. The Superintendent said yes, they purchased fifty acres ten years ago and another small parcel six months ago. Ms. Johnson questioned the land/building costs listed on page 6 of the hearing information sheet. The Superintendent said that was for the 10 acres purchased six months ago.

Mr. Nemeth asked about the gymnasium with balcony. The Assistant Superintendent said the balcony allows for secondary space for physical education classes. Mr. Nemeth asked who would act as clerk of the works. The Assistant Superintendent said they have an extended services agreement with Odle, McGuire & Shook. The Superintendent said an internal employee would be relieved of other duties to also oversee the project.

Ms. Johnson asked about the zero impact for the first year listed on page 12 of the hearing information sheet. Mr. Ruhl explained there would be debt paying off as this issue begins repayment.

Ms. Bond asked about the ADM and the Superintendent replied they had an increase of 270. Ms. Bond noted the Department of Education enrollment estimate indicates growth in the school corporation. The Superintendent said there is no class under the 4th grade with fewer than 600 students.

Mr. Bronnert asked if the current intermediate school would become the freshman center and the Superintendent replied yes. Mr. Bronnert asked if there would be problems getting freshman to the high school for programs held at the high school. The Superintendent said they are looking at that issue, but feel the facilities are close enough in proximity. Mr. Bronnert asked about the possibility of a covered path. The Superintendent said possibly a canopy, but the distance is pretty far for that option.

Motion: Mr. Barnes made a motion to approve a lease rental agreement with maximum annual payments of \$4.5 million for 20 years. Ms. Johnson seconded the motion, which favorably carried 7-0-1. Mr. Roberson abstained from the vote.

North West Hendricks School Corporation, Hendricks County: Officials requested approval of a pension bond issue in the amount of \$2,500,000. The tax rate impact of the bond issue is

\$0.0493. The term of the bond is 15 years. The Neutrality Resolution states the Capital Projects fund will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Larry Rambis, Superintendent; Doug Cassman, Tom Grabill and Nate Day, Educational Services Company and Jane Herndon and Jim Shanahan, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting a bond issue in the amount of \$2.5 million and it will eliminate the unfunded liability. They have the approval of the school board and the teachers' association. Officials have held the required public hearings and there has been no opposition expressed by the community. They will reduce the Capital Projects fund approximately \$0.06 to offset the debt.

Ms. Bond asked for further information. The Superintendent said the present value of the unfunded liability is \$5,182,000, but officials expect the \$2.5 million will cover the liability. The term of the bond issue is fifteen years. Ms. Bond asked about the new plan. The Superintendent said they would pay up to 200 sick days and health insurance will be covered by a VEBA account. They estimate an age of retirement at 58 and have set aside some funds for early retirement. Ms. Bond questioned the interest rate of 7.09% listed on page three of the hearing information sheet. Mr. Day said that was the maximum bond rate, but the average is 6.1%. It was also noted these are taxable bonds.

Mr. Bronnert asked if there was a contract with teachers. The Superintendent said yes, but there are some fine details to complete. Mr. Bronnert asked if the contract was signed and the Superintendent replied yes.

Motion: Ms. Henson made a motion to approve a pension bond issue in the amount of \$2.5 million. Mr. Nemeth seconded the motion, which favorably carried 7-0-1. Mr. Roberson abstained from the vote.

Eminence Community School Corporation, Morgan County: Officials requested approval of a pension bond issue in the amount of \$525,000. The tax rate impact of the bond issue is \$0.05. The term of the bond is 10 years. The Neutrality Resolution states the Capital Projects and Bus Replacement funds will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Norman Stockton, Superintendent; Lonnie Therber, Therber & Brock and Jane Herndon and Jim Shanahan, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are a rural school corporation located in northwestern Morgan County. Officials determined it was necessary to eliminate some of the liability. Officials request approval of a pension bond issue in the amount of \$525,000. The present value of the unfunded liability is \$1,018,006. There were a number of limitations in the contract that kept the liability amount down. The school board feels it would be better to settle now at a lower amount.

Ms. Bond asked why a school board member voted no. The Superintendent said he probably did not explain it well enough for the member to understand. The board member did not feel they should recoup costs from the last few years.

Ms. Johnson asked how many students are in the school system and the Superintendent replied approximately 540.

Mr. Barnes asked if officials considered marketing this issue to a bank instead of a bond issue. Mr. Therber felt there would not be a market for this issue. They have considered a competitive bond sale.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$525,000. Ms. Henson seconded the motion, which favorably carried 8-0.

South Putnam Community School Corporation, Putnam County: Officials requested approval of a pension bond issue in the amount of \$2,950,000. The tax rate impact of the bond issue is \$0.0765. The term of the bond is 20 years. The Neutrality Resolution states the Capital Projects fund will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Earl Williams, Superintendent; John Zeiner, School Attorney; Tom Grabill and Nate Day, Educational Services Company and Jane Herndon and Jim Shanahan, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. More than half of their teachers are retirement age. They would have no way to cover the cost if they did retire. Officials met with teachers and non-certified staff and they have language set for teachers and are still working with the non-certified staff. The bond issue will eliminate the unfunded liability.

Mr. Bronnert asked if they have a contract with certified staff, but not the non-certified staff. The Superintendent said yes, but the non-certified staff agreement should be similar. The teachers will receive \$100 per year of service and \$55 per unused sick day.

Ms. Johnson asked what percentage of teachers are at retirement age and the Superintendent said 45%.

Mr. Barnes asked if they bought out existing teachers and new on a 401(a) plan. The Superintendent said yes and also a matching plan of \$300 per year for each teacher. Mr. Barnes asked if sick days and years of service were bought out and the Superintendent replied yes. Mr. Barnes asked if officials expected any of those bought out would be around in twenty years and the Superintendent said yes, that some would be around. Mr. Barnes asked if the low assessed value was the reason for the twenty-year term of the bond and the Superintendent said yes.

Motion: Mr. Nemeth made a motion to approve a pension bond issue in the amount of \$2,950,000. Mr. Bowen seconded the motion, which favorably carried 8-0.

Cloverdale Community School Corporation, Putnam County: Officials requested approval of a pension bond issue in the amount of \$2,480,000. The tax rate impact of the bond issue is \$0.08. The term of the bond is 23 years. The Neutrality Resolution states the Capital Projects and Bus Replacement funds will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Terry Enlow, Superintendent; Lonnie Therber, Therber & Brock and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials request a \$2.4 million bond issue that would eliminate their unfunded pension liability. They have a contribution plan that has been in place for four to five years.

Ms. Henson asked if there was an agreement and the Superintendent said no. Ms. Henson asked if teachers would sign the agreement when the bonds are sold. The Superintendent said yes and health insurance is the largest piece of the unfunded liability.

Mr. Barnes was concerned about the proposed twenty-three year bond term. The Superintendent said the liability would come to rest on them sometime in the future. Mr. Barnes felt local government gave an open-ended contract and there is no sting to this issue. Mr. Therber said the term of the bond issue comes down to the tax neutrality. He said they have not revisited the repayment since the recent decrease in interest rates and could possibly reduce the term to twenty years.

Ms. Henson asked what the school board vote was at the September 2, 2004 meeting. The Superintendent said it was 6 to 1. Ms. Henson asked why the one board member voted no and the Superintendent said the board member said they were feeling stubborn that night.

Ms. Bond asked about the capitalized interest listed on page one of the hearing information sheet. Mr. Therber said due to the neutrality in the first year. They will keep a lower levy the first year by paying interest with bond proceeds.

Ms. Johnson asked if health insurance premium paid by teachers is \$34 per month and the Superintendent said yes. Ms. Johnson asked if the school's portion is \$337 per month and the Superintendent replied yes.

Mr. Therber the capitalized interest covers the entire first year payment, so the first payment to be made by the school corporation is in 2006.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$2,480,000. Mr. Bowen seconded the motion, which favorably carried 8-0.

North Putnam Community School Corporation, Putnam County: Officials requested approval of a pension bond issue in the amount of \$2,500,000. The tax rate impact of the bond issue is \$0.045. The term of the bond is 20 years. The Neutrality Resolution states the Capital

Projects and/or Bus Replacement funds will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Murray Pride, Superintendent; Charles Hostetler, School Attorney; Lonnie Therber, Therber & Brock and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are seeking approval of a bond to eliminate their unfunded liability. They feel they are at the point they need to do something for the long-term staff. An annuity plan is in place for the younger staff, but the older teachers feel they do not have sufficient time to contribute a significant amount. They have been buying down sick days and also pay for years of service. The negotiations were settled in just over an hour at the first meeting. Officials discussed this issue in meetings over a year and a half.

Motion: Ms. Henson made a motion to approve a pension bond issue in the amount of \$2.5 million. Mr. Barnes seconded the motion, which favorably carried 8-0.

Clinton Prairie School Corporation, Clinton County: Officials requested approval of a lease rental agreement with maximum annual payments of \$1,421,000 for a term of 17 years. Total project costs are \$13,800,000. The tax rate impact of the project is \$0.347 with a new facility appeal rate impact of \$0.0035 expected. The common construction wage information was in order. There was an application for a petition and remonstrance process filed, but officials worked with concerned taxpayers and reduced the scope of the project from \$18,185,000 to \$13,800,000.

Present for the hearing was Charles Fink, Superintendent; Craig Seager, School Board President; Richard Langston, School Attorney; Steve Meno, Fifth Third Securities and Jane Herndon, Ice Miller.

Project: All of the building renovation and expansion will take place at the Clinton Prairie Jr./Sr. High School (grades 7-12). This facility which was originally constructed in 1961 and is in much need of being renovated and the current HVAC system replaced. A new fire alarm system will be installed, the school cafeteria will be expanded and renovated as will the biology and chemistry labs. A new auxiliary gymnasium will be added to meet increasing demand for this type of facility. The renovation project will bring this school facility into compliance with ADA.

Comments: The Superintendent spoke about the proposed project. A consolidation of the high school occurred back in 1961. The elementary level was consolidated in 1981. A committee was formed in 2002 made up of thirty people. They held public hearings and a petition was filed opposing the project. An agreement was reached with those opposed to the project by reducing the scope of the project to avoid the petition and remonstrance process. The school board received a recommendation on April 7, 2004 and approved the project in May 2004. The project involves renovating the science labs and expansion of the cafeteria. A two-court field house with locker rooms as there is only one full-size gymnasium currently. They will also upgrade the HVAC and alarm systems.

Ms. Johnson questioned the scope of the project. The hearing information sheet mentions K-6 and middle/high school project. The Superintendent said the building is a K-12 facility with some common areas.

Mr. Bronnert asked what communities are covered by the school district. The school board president said they cover four townships and I-65 runs through the district. They cover the western part of Clinton County.

Ms. Johnson asked if they have any outstanding general obligation bonds. Mr. Meno said no, only pension bonds. Ms. Johnson asked what the \$3,950,000 listed on page 11 of the hearing information sheet represented and Ms. Herndon said pension bonds. Ms. Johnson asked why one board member abstained from the vote approving the lease. The school board president said they disagreed with items 12 through 17 of the list of projects and felt they were not necessary.

Mr. Nemeth asked who would act as the clerk of the works. The school attorney said the construction manager would be Gill Construction. The Superintendent noted it was an area company.

Motion: Mr. Nemeth made a motion to approve a lease rental agreement with maximum annual payments of \$1,421,000 for a term of 17 years. Mr. Barnes seconded the motion, which favorably carried 8-0.

Community Schools of Frankfort, Clinton County: Officials requested approval of a pension bond issue in the amount of \$4,880,000. The tax rate impact of the bond issue is \$0.0655. The term of the bond is 20 years. The Neutrality Resolution states the Capital Projects and Bus Replacement funds will be reduced to offset the debt. The bond issue will partially eliminate the unfunded liability.

Present for the hearing was Dr. Kevin Caress, Superintendent; Karen Rudolph, School Official; Tom Grabill and Nate Day, Educational Services Company and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. The request of \$4,880,000 will eliminate their unfunded liability. Officials are concentrating on the health insurance aspect of the retirement plan. They will replace the health insurance plan with a pooled VEBA account.

Mr. Nemeth asked why just the health insurance was being addressed. The Superintendent said the sunset on early retirement is 2005. A partial buy out has also been completed. Mr. Nemeth asked if that was funded from the General fund and school officials replied yes.

Ms. Bond asked about the Rainy Day fund. The Superintendent said the purpose of it is to maintain their cash flow. They plan to use it on insurance premium increases. The health insurance premiums have not increased the last three years. Ms. Bond asked if the 2004 taxes have been paid and the Superintendent replied no. Ms. Henson noted the tax deadline in Clinton County is November 10 for the entire year.

Mr. Nemeth asked who was their health insurance carrier. The Superintendent said Anthem. They were hit with an increase three years ago. Mr. Nemeth asked about the \$20,000 other cost listed on the hearing information sheet. Mr. Day said it represented expenses of the process of negotiations.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$4,880,000. Mr. Nemeth seconded the motion, which favorably carried 8-0.

Southwestern Consolidated Schools of Shelby County, Shelby County: Officials requested approval of a lease rental agreement with maximum annual payments of \$258,000 for a term of 15 years. Total project costs are \$2,000,000. The tax rate impact of the project is \$0.0698 with no new facility appeal planned. The Governor's representative refused to sign the common wage scale and the AFL-CIO representative opposed it. The issue fell below the threshold for a petition and remonstrance process.

Present for the hearing was Cathy Egolf, Superintendent; Teresa Woods, Treasurer; Dennis Harrold, School Attorney; Kathy Raver, HJ Umbaugh; Thomas Durkin, Engineer and Jane Herndon, Ice Miller.

Project: The project consists of improvements to the Southwestern Jr./Sr. High School, including the replacement of the existing HVAC system and galvanized water pipe. The project also includes asbestos abatement and a well water upgrade.

Comments: The Superintendent spoke about the proposed project. Officials have been discussing this project the past seven years. The water tank at the high school will be replaced and connect their supply with another building. This would allow them to maintain water service should one fail at either facility. The heating system is the primary concern. The building is covered by both water and steam heat. Officials provided pictures of the current pipes in the system showing the corrosion on the pipes. The heating system is not efficient due to this corrosion. The doors and windows also do not close properly. They will upgrade to a keyless entry system to improve security of the facility. There is widespread community support of the project. Officials considered potential growth when looking at this project. The county growth committee expects some growth over the next few years, but school officials anticipate this facility can handle any growth over the next twenty years. The growth in assessed value is limited in their school district due to the lack of industry in the area. There is a great deal of parent involvement in the school corporation.

Ms. Johnson asked about the alternates/contingencies listed on the hearing information sheet of \$200,000. The Superintendent said they are looking at installing additional outlets for computers and exterior door replacement as alternate projects. Ms. Raver said they allow a 10% contingency typically for renovation projects.

Mr. Bronnert asked what the energy source is for the boilers and the Superintendent said natural gas.

Mr. Barnes asked if this project had an energy savings contract and the Superintendent replied no.

Mr. Bronnert asked why a lease rental instead of a general obligation bond for this project. Ms. Raver said there was not sufficient bonding capacity available to cover this project.

Mr. Nemeth asked about pending future projects. The Superintendent said the HVAC at an elementary school needs to be addressed, but they are saving funds through the Capital Projects fund for that project. Mr. Nemeth asked if there was anyone upset over the common construction wage and the Superintendent said no one had contacted her about it.

Ms. Henson questioned the project amount of \$2,000,000. The Superintendent feels the community supports this project and would not have remonstrated against it.

Motion: Mr. Barnes made a motion to approve a lease rental agreement with maximum annual payments of \$258,000 for 15 years. Mr. Bowen seconded the motion, which favorably carried 8-0.

Shenandoah School Corporation, Henry County: Officials requested approval of a pension bond issue in the amount of \$3,920,000. The tax rate impact of the bond issue is \$0.095. The term of the bond is 20 years. The Neutrality Resolution states the Capital Projects fund will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Ron Green, Superintendent; Damian Maggos, City Securities Corporation and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. The request is for an amount of \$3,920,000. The actuarial study was completed by Educational Services Company. The contract was ratified and approved in August 2004. The community, teachers and school board support the proposed bond issue. The Capital Projects fund will be reduced to offset the debt.

Ms. Henson asked if the school board was made up of five members and the Superintendent replied yes. There was one member absent at the August meeting and another on in September. Ms. Henson asked if the bond term of twenty years was due to the tax rate impact of the bond issue. The Superintendent said they initially thought the term would be twenty years, but now it might be seventeen years.

Mr. Bronnert asked about the neutrality. The Superintendent said they would reduce the Capital Projects fund. Mr. Bronnert asked about the conditions of the buildings in the school district. The Superintendent said they are in good shape. The high school needs lighting and ceiling improvements, but the middle and elementary schools are newer and in good shape.

Motion: Mr. Bowen made a motion to approve a pension bond issue in the amount of \$3,920,000. Ms. Johnson seconded the motion, which favorably carried 8-0.

Randolph Eastern School Corporation, Randolph County: Officials requested approval of a pension bond issue in the amount of \$400,000. The tax rate impact of the bond is \$0.0287. The term of the bond is 10 years. The Neutrality Resolution states the Capital Projects and Bus Replacement funds will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Cathy Stephen, Superintendent; Tom Grabill and Nate Day, Educational Services Company and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. The request is in the amount of \$400,000. There is a ratified agreement in place and the bond issue will eliminate the unfunded liability. The Capital Projects and Bus Replacement funds will be reduced to offset the debt.

Ms. Henson asked about reducing the bond term since the tax rate impact is approximately \$0.03. The Superintendent said they would look at that possibility, but they have some facility issues that need to be addressed.

Ms. Bond noted a difference in bond amounts listed on the hearing information sheet. Mr. Grabill said it should have read \$400,000 in both places.

Mr. Nemeth expressed his appreciation of the cash flow information submitted with the materials.

Motion: Ms. Henson made a motion to approve a pension bond issue in the amount of \$400,000. Ms. Johnson seconded the motion, which favorably carried 8-0.

Brown County Schools, Brown County: Officials requested approval of a pension bond issue in the amount of \$3,000,000. The tax rate impact of the bond issue is \$0.0838. The term of the bond is 10 years. The Neutrality Resolution states the Capital Projects and/or Bus Replacement funds will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Lynn Reed, Superintendent; Amanda Harvey, Treasurer; David Shaffer, Assistant Superintendent; Tom Grabill, Doug Cassman and Nate Day, Educational Services Company and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. The requested bond issue of \$3,000,000 will eliminate the unfunded liability. A contract was negotiated in 1998 to allow the option of a 401(a)/403(b) and sick day pay option. This bond issue will address those that chose to remain under the old plan.

Mr. Bronnert asked what the school board vote was for the bond issue and the Superintendent said 5 to 0.

Ms. Johnson asked about the enrollment in the corporation and the Superintendent replied just under 2,400.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$3,000,000. Mr. Barnes seconded the motion, which favorably carried 8-0.

Union School Corporation, Randolph County: Officials requested approval of a pension bond issue in the amount of \$1,400,000. The tax rate impact of the bond issue is \$0.1237. The term of the bond is 15 years. The Neutrality Resolution states the Capital Projects and/or Bus Replacement funds will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Dan Roach, Superintendent; Damian Maggos, City Securities Corporation and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. The term of the bond issue is fifteen years. An agreement has been ratified and the proposed bond issue will eliminate the unfunded liability. The Capital Projects and Bus Replacement funds will be reduced to offset the debt.

Ms. Bond asked if the request was for an amount of \$1,315,000. The Superintendent said it was for \$1,400,000.

Motion: Mr. Nemeth made a motion to approve a pension bond issue in the amount of \$1,400,000. Mr. Bowen seconded the motion, which favorably carried 8-0.

Marion Community Schools, Grant County: Officials requested approval of a pension bond issue in the amount of \$15,500,000. The tax rate impact of the bond issue is \$0.0944. The term of the bond is 20 years. The Neutrality Resolution states the Capital Projects fund will be reduced to offset the debt. The bond issue will eliminate the bridge payment and health insurance portion of the liability.

Present for the hearing was Paul Gabriel, Chief Financial Officer; Tom Grabill, Nate Day and Doug Cassman, Educational Services Company and Jane Herndon, Ice Miller.

Comments: The Chief Financial Officer spoke about the proposed pension bond issue. The request is for a bond issue in the amount of \$15.5 million. Officials are pleased with the bond issue and have settled on a three-year contract after fifteen months of negotiations. The teachers are happy with the settlement. They had the option to stay on the old plan and only three took that option. The bond issue eliminates the future liability of bridge payments and health insurance. Officials have discussed this issue at community meetings held this past year and there have been no negative comments. The Capital Projects fund will be reduced to offset the debt.

Mr. Bronnert asked if the buy out and negotiations took care of the \$40 million liability. School officials replied the \$40 million included the administration liability as well and that is not part of the buy out plan. The liability for the administrators has been decreasing.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$15,500,000. Ms. Henson seconded the motion, which favorably carried 7-0-1. Mr. Roberson abstained from the vote.

Mississinewa Community School Corporation, Grant County: Officials requested approval of a pension issue in the amount of \$2,100,000. The tax rate impact of the bond issue is \$0.1002. The term of the bond is 10 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability that is the result of the medical portion, and over time the 401(a) contributions will eliminate the bridge and severance portions of the current obligation.

Present for the hearing was Michael Powell, Superintendent; Jim McWhirt, Director of Business Affairs; Tom Grabill, Doug Cassman and Nate Day, Educational Services Company and Jane Herndon, Ice Miller.

Comments: The Business Manager spoke about the proposed pension bond issue. The unfunded liability is comprised of three parts. The first is the severance payment, which is an insignificant amount. The second is an early severance payment that is decreasing due to a 401(a) plan established in 1999. The third is health insurance, which is the only area that is increasing. Officials limited the bond issue to \$2.1 million due to the neutrality requirement. They will only focus on the health insurance since it is the only component that is increasing.

Mr. Nemeth asked if the severance was handled out of the General fund and the Business Manager replied yes.

Motion: Mr. Nemeth made a motion to approve a pension bond issue in the amount of \$2,100,000. Mr. Barnes seconded the motion, which favorably carried 8-0.

Northeastern Wayne School Corporation, Wayne County: Officials requested approval of a pension bond issue in the amount of \$3,000,000. The tax rate impact of the bond issue is \$0.1240. The term of the bond is 20 years. The Neutrality Resolution states the Capital Projects fund will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Steve Bailey, Superintendent; Tom Grabill and Nate Day, Educational Services Company and Jane Herndon and Jim Shanahan, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting a bond issue in the amount of \$3,000,000. An agreement has been reached with teachers and has been ratified and approved by the school board. All school board votes related to this matter have been unanimous. The community has not raised any concerns about the bond issue. The Capital Projects fund will be reduced to offset the debt.

Mr. Bronnert asked about the condition of the facilities in the school corporation. The elementary school was built in 1983 and has been well maintained. The Jr./Sr. high school was built in 1967 and may need some renovation upon the debt on the elementary school paying off.

Motion: Ms. Henson made a motion to approve a pension bond issue in the amount of \$3 million. Mr. Bronnert seconded the motion, which favorably carried 8-0.

Franklin County Community School Corporation, Franklin County: Officials requested approval of a pension bond issue in the amount of \$1,200,000. The tax rate impact of the bond issue is \$0.045. The term of the bond is 5 years. The Neutrality Resolution states the Capital Projects fund will be reduced to offset the debt. The bond issue will reduce the unfunded liability from \$17,134,833 to \$15,952,333.

Present for the hearing was Dr. William Glentzer, Superintendent; Ken Saxon, Assistant Superintendent; David Wimmer, Hilliard Lyons and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials have been in negotiations the past few months. A 403(b) plan was established in 1999. Officials are negotiating to reduce the liability and a looking at alternatives for the health insurance, such as a VEBA or health insurance reserve fund. The Capital Projects fund will be reduced to offset the debt. The term of the bond is five years.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$1,200,000. Ms. Henson seconded the motion, which favorably carried 8-0.

Western Wayne Schools, Wayne County: Officials requested approval of a pension bond issue in the amount of \$715,000. The tax rate impact of the bond issue is \$0.0341. The term of the bond is 15 years. The Neutrality Resolution states the Capital Projects fund will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Lynn Sheets, Superintendent; Robert Mahon, Associate Superintendent; Tom Grabill and Nate Day, Educational Services Company and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. The request is for a bond issue in the amount of \$715,000 and the bond term is fifteen years. The actuarial study was completed by Educational Services Company. The bond issue will allow for the buy out of current retirees and employees. The Capital Projects fund will be reduced to offset the debt. The proceeds of the issue will be split evenly between a 401(a) and VEBA account.

Mr. Bronnert asked about the condition of facilities in the school corporation. The Superintendent said the elementary school was built seven years ago and the middle/high school was renovated in 1984. Officials feel they can operate on the reduced budget in Capital Projects.

Motion: Ms. Henson made a motion to approve a pension bond issue in the amount of \$715,000. Ms. Johnson seconded the motion, which favorably carried 8-0.

Huntington County Community School Corporation, Huntington County: Officials requested approval of a pension bond issue in the amount of \$5,000,000. The tax rate impact of the bond issue is \$0.0466. The term of the bond is 15 years. The Neutrality Resolution states the

Capital Projects and Bus Replacement will be reduced in 2005 to offset the debt. The only remaining liability after the bond issue will be current retirees.

Present for the hearing was Kirby Stahly, Assistant to the Superintendent; Rod Wilson, City Securities Corporation and Thomas Peterson, Ice Miller.

Comments: The Assistant Superintendent spoke about the proposed pension bond issue. The request is for a bond issue in the amount of \$5 million. Officials recognized the unfunded liability problem and commissioned Educational Services Company for an actuarial study. Officials negotiated master contract language and it was ratified in July 2004. The school board and teachers' association support the plan and bond issue.

Ms. Henson asked about the activity of the taxpayers in the school district. The Assistant Superintendent said that no one at the public hearing for the additional appropriation voiced concerns. School officials explained the bond issue would be tax neutral. Ms. Henson asked if the taxpayers were still watching the actions of the school and the Assistant Superintendent said they still attend the meetings but have not had any complaints.

Mr. Nemeth asked about the labor counsel fees listed on the hearing information sheet. Mr. Shanahan noted this issue was the same as others that have been before the control board. This has been labeled as consultant fees on other issues.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$5 million. Mr. Bronnert seconded the motion, which favorably carried 8-0.

Mt. Pleasant Community School Corporation, Delaware County: Officials requested approval of a pension bond issue in the amount of \$4,450,000. The tax rate impact of the pension bond issue \$0.0865. The term of the bond is 12 years. The Neutrality Resolution states the Capital Projects will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Mary Ann Irwin, Superintendent; Steven Murphy, School Attorney; Colette Irwin-Knott, HJ Umbaugh and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. The bond issue will eliminate the unfunded liability. An agreement has been reached with the teachers' association. Officials began the process by researching the liability and studying possible solutions. A contract ratified this summer runs through 2006. An employee may select from a series of options. The Capital Projects fund will be reduced and they expect to continue meeting the needs of their facilities.

Mr. Bronnert asked for an explanation of the \$1.1 million reimbursement listed on the hearing information sheet. The Superintendent said that represented what was paid out since June 30, 2001. Mr. Bronnert asked about the condition of the facilities in the school district. The Superintendent said they are older facilities, but feel they can plan for possible growth. Mr.

Bronnert asked if they would maintain facilities through debt service. The Superintendent said they are in the process of a feasibility study to determine facility needs.

Mr. Barnes asked if the \$1.1 million listed as reimbursement were for payments made after June 30, 2001 for the old plan. Mr. Shanahan said it was permissible to bond for old plan costs incurred after June 30, 2001. He said it was not permissible to finance for changes in the plan since June 30, 2001. The Superintendent noted they had several individuals retire.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$4,450,000. Mr. Bronnert seconded the motion, which carried 6-1-1. Mr. Barnes cast the dissenting vote and Mr. Roberson abstained from the vote.

North Adams Community Schools, Adams County: Officials requested approval of a pension bond issue for \$6,695,000. The tax rate impact of the bond issue is \$0.1072. The term of the bond is 21 years. The Neutrality Resolution states the Capital Projects fund and/or the Bus Replacement fund will be used in 2005 to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Jim Compton, Superintendent; Phil Gutman, Hilliard Lyons and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a bond issue of \$6,965,000 to eliminate the unfunded liability. Officials have negotiated a buy out of all current employees. Those hired after July 1, 2004 will be in a 401(a) matching plan and VEBA. The Bus Replacement will be reduced to offset the debt for a while and Capital Projects fund is another possibility. A major renovation on all facilities two years ago has put their buildings in good shape. The Capital Projects fund is at the maximum tax rate as it has been used to fund roofing projects. The Bus Replacement fund is in good shape and they have a fleet of 28 buses.

Motion: Mr. Nemeth made a motion to approve a pension bond issue in the amount of \$6,965,000. Mr. Bronnert seconded the motion, which favorably carried 8-0.

Rochester Community School Corporation, Fulton County: Officials requested approval of a pension bond in the amount of \$1.1 million. The tax rate impact of the bond issue is \$0.0431. The term of the issue is five years. The Neutrality Resolution states the Bus Replacement and/or Capital Projects fund will be used to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Robert Poffenbarger, Superintendent; James Straeter, School Board President; Scott Mills, Principal and Thomas Peterson, Ice Miller.

Comments: The Business Manager spoke about the proposed pension bond issue. Officials are requesting a bond issue in the amount of \$1.1 million to buy out the unfunded plan. An agreement has been reached and the teachers' association is expected to approve it this evening. The school board has already approved it. The hearing was advertised as required and the issue

was explained to the community. There have been no negative comments on the proposed bond issue. The Bus Replacement and Capital Projects funds will be reduced to offset the debt. They have a newer fleet of buses currently.

Mr. Nemeth noted there were no attorney fees listed on the hearing information sheet and the Business Manager replied that was correct.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$1.1 million. Mr. Nemeth seconded the motion, which favorably carried 8-0.

Daleville Community Schools, Delaware County: Officials requested approval of a general obligation bond issue for \$650,000. The tax rate impact of the bond issue is \$0.0437. The Neutrality Resolution states the Bus Replacement fund will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Paul Garrison, Superintendent; Tom Grabill and Nate Day, Educational Services Company and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials have been working with the teachers' association the past year. They have secured an agreement with the teachers pending approval of the bond issue. The bond issue will cover the buy out of current employees. The old plan cost was \$70,000 to \$90,000 from the General fund each year. The cost to the General fund does not go away immediately. Officials wanted to limit the effect on the Capital Projects and Bus Replacement funds.

Ms. Bond asked about the difference on page one of the hearing information sheet. Officials replied the difference of \$231,000 was referenced on column two of page one. They will pay current early retirees out of the General fund for a while.

Motion: Ms. Henson made a motion to approve a pension bond issue in the amount of \$650,000. Mr. Barnes seconded the motion, which favorably carried 8-0.

LaPorte Community School Corporation, LaPorte County: Officials requested approval of a pension bond issue for \$12,365,000. The tax rate impact of the bond issue is \$0.068. The Neutrality Resolution states the Capital Projects and Bus Replacement funds will be used to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Dr. Kenneth Blad, Superintendent; Dennis Shawvel, Assistant Superintendent; William Kaminski, School Attorney; Curt Pletcher, HJ Umbaugh and Thomas Peterson and Jim Shanahan, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a bond issue in the amount of \$12,365,000. An agreement has been negotiated with teachers and officials feel comfortable with the bond request. The Capital Projects and Bus Replacement funds will be reduced the first year of repayment and the Capital Projects in years after. The bus fleet is comprised of 65 buses and they have just completed the bus replacement

cycle. Officials plan to establish fund 63 to fund employee sick days not covered in the buy out plan.

Ms. Henson asked if there was any taxpayer comment on this bond issue and the Superintendent said none.

Mr. Bronnert asked about the condition of the facilities in the district. The Superintendent said they are in the process of building a new elementary school and renovating another.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$12,365,000. Ms. Johnson seconded the motion, which favorably carried 8-0.

Eastern Greene Schools, Greene County: Officials requested approval of a \$2 million pension bond issue. The tax rate impact is \$0.1374. The Neutrality Resolution states that the Capital Projects fund will be used to offset the debt levy. The bond issue will virtually eliminate the unfunded liability.

Present for the hearing was Randy Barrett, Superintendent; Dan Kramer and Angie Steeno, Crowe Chizek and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a \$2 million pension bond issue with a fifteen-year term. The bond issue will cover teachers and classified staff. There are VEBA and 401(a)/403(b) accounts in place.

Ms. Bond asked if the bond issue virtually eliminates the unfunded liability. The Superintendent said employees have an option to remain on the old plan. They are limited to \$40 per year of service to be paid out of the General fund.

The Superintendent said they have one, K-12 facility. It has a new roof and a renovation project is being completed, so their Capital Projects fund budget is small.

Ms. Henson asked what the school board vote was on the bond issue. Mr. Kramer said the hearing information sheet should have read 7 to 0.

Motion: Mr. Roberson made a motion to approve a pension bond issue in the amount of \$2 million. Mr. Nemeth seconded the motion, which favorably carried 8-0.

Perry Central Community School Corporation, Perry County: Officials requested approval of a pension bond issue for \$2.5 million. The tax rate impact is \$0.1046. The Neutrality Resolution states the Capital Projects and Bus Replacement funds will be used to offset the debt levy. The bond issue will reduce the unfunded liability.

Present for the hearing was Mary Roberson, Superintendent; Tara Bishop, Assistant Superintendent; Tom Grabill and Nate Day, Educational Services Company and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. An early retirement plan was adopted 25 years ago when health insurance premiums were cheap. The plan is creating a tremendous burden as they provide ten years of family plan health coverage. The bond issue is in the amount of \$2.5 million and has a term of twenty years. The bond issue does not completely eliminate the unfunded liability, but does completely buy out the health insurance portion of the old plan.

Mr. Nemeth asked how easy it was to negotiate the ten year health insurance out of the contract. The Superintendent said they are buying out current teachers and setting up VEBA accounts. He said teachers recognize the problem of the unfunded liability.

Mr. Bronnert asked why they are not requesting a larger bond issue and the Superintendent said they were limited due to the neutrality requirement. Mr. Bronnert asked if they owned their buildings and had no lease rentals outstanding and the Superintendent replied no. Mr. Bronnert asked if there are any pending renovation projects. The Superintendent said they did a \$7 million renovation in 1999 and facilities are in good shape.

Motion: Ms. Henson made a motion to approve a pension bond issue in the amount of \$2.5 million. Mr. Barnes seconded the motion, which favorably carried 8-0.

South Adams Schools, Adams County: Officials requested approval of a pension bond issue for \$855,000. The tax rate impact is \$0.0336. The Neutrality Resolution states the Capital Projects and/or Bus Replacement funds will be used to offset the debt levy. The bond issue will eliminate the unfunded liability.

Present for the hearing was Connie Bailey, Superintendent; Arlene Amstutz, School Board President; Tom Grabill and Nate Day, Educational Services Company and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting \$855,000 to buy out the severance liability. Officials have been in negotiations for two years working on a settlement. Mediation for two grievances is scheduled for October 13, 2004.

Mr. Barnes asked if the bond issue would interfere with the grievances. The Superintendent said the grievances relate to health insurance and is a completely separate issue. They understand the need to resolve the unfunded liability issue.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$855,000. Mr. Bowen seconded the motion, which favorably carried 8-0.

Greater Clark County Schools, Clark County: Officials requested approval of a pension bond issue for \$16 million. The tax rate impact is \$0.0635. The Neutrality Resolution states the Capital Projects fund will be used to offset the debt levy. The bond issue should eliminate the entire unfunded liability.

Present for the hearing was Thomas Rohr, Superintendent; Michael Hodgson, Chief Financial Officer; Sandra Lewis, School Attorney; Jim Elizondo, City Securities Corporation; and Jim Shanahan, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a bond issue in the amount of \$16 million with a term of twenty years. The total liability is greater than the bond issue. A partial buy out was done in 2000 and this will complete the buy out.

Ms. Johnson questioned the difference between the bond issue and the present value of the liability. The Superintendent said they are buying out the health insurance and a portion of the existing severance language. They bought out \$5 million of the severance liability in 2000. Mr. Cassman said employees accept a lesser amount because they have the money in hand now.

Ms. Bond asked about the status of negotiations. The Superintendent said they have an agreement with teachers as of last Friday. They are still negotiating with bus drivers, cafeteria staff and secretaries. Officials expect to use some General fund and establish a fund 63 to cover some of the liability.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$16 million. Mr. Nemeth seconded the motion, which favorably carried 8-0.

North Judson-San Pierre Schools, Starke/Pulaski County: Officials requested approval of a lease rental agreement with maximum annual rental payments of \$1,350,000 for 14 years. Tax rate impact is \$.5198 and a new facility appeal of \$.01. Total project costs are \$5,235,000. Common construction wage information was in order. There was no application for a petition and remonstrance process.

Present for the hearing was Roger Sutton, Superintendent; Jim Elizondo, City Securities Corporation and Thomas Peterson, Ice Miller.

Project: The project consists of renovation of the North Judson San Pierre High School dressing rooms, which includes: bringing the areas into compliance with ADA and Title 9; provide an indoor entrance to the pool area; provide four locker rooms of equal size; upgrade the weight lifting area; add new lockers; upgrade the shower facilities and provide restrooms accessible from the baseball and softball fields.

The addition of a 500-seat auditorium will provide a much needed performing arts/meeting area for the school corporation and the community. The addition will include an orchestra pit, a control room, a work/prom room and dressing facilities.

The atrium area will contain restrooms, concession area and a common entry to the gym, pool, dressing rooms and auditorium. The common entry will provide an air lock to the gym and the pool.

Costs for the No. Judson San Pierre High School Education project are \$3,537,000 and for the remodeling portion of the project, costs are \$1,586,000.

Comments: The Superintendent spoke about the proposed project. The project cost is \$5,235,000 and is a completion of the high school renovation. This is the last of the current needs to be addressed. The project will address ADA and Title IX issues. The community task force had overwhelming support for an auditorium with this project. They will have some debt service dropping off soon.

Ms. Henson asked if the taxpayer group has been quiet recently. The Superintendent said yes, they had two with questions at the 1028 hearing. They spoke as to whether the auditorium would be large enough. Taxpayers are supportive if the tax rates do not increase. Ms. Henson asked if this would be the last major project. The Superintendent said yes as they will have addressed the elementary, middle and high schools.

Motion: Ms. Henson made a motion to approve a lease rental agreement with maximum annual payments of \$1,350,000 for 14 years. Mr. Nemeth seconded the motion, which favorably carried 8-0.

Melissa Henson and Chuck Nemeth were absent the remainder of the day.

Manchester Community Schools, Wabash County: Officials requested approval of a \$2,270,000 pension bond issue. Tax rate impact is \$0.0629. The Neutrality Resolution states the Capital Projects fund will be reduced for neutrality purposes. The issue eliminates the unfunded liability. The term of the issue is 15 years.

Present for the hearing was Dr. Diana Showalter, Superintendent; Steve Shumaker, School Official, Damian Maggos, City Securities Corporation and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a bond issue in the amount of \$2,270,000. The school board, administration and community support the bond issue. The buy out that has been approved is the basis for this bond issue.

Ms. Bond questioned the item listed on the hearing information sheet for Plan I retirement protection. The Business Manager said the contract had two elements that teachers could chose from, Plan I and Plan II. Plan I gave the option of two years bridge payments if an individual retired early. The ISTA representative said this is usually lumped into the severance amount on other pension bond requests. Teachers had an option for the previous plan and as the buy out was developed, officials could see those taking Plan I were going to be cheated. Those individuals had to be given a different buy out.

Mr. Bowen asked if that created an obligation, or was it already there. The ISTA representative said it already existed. Ms. Herndon explained the hearing information sheet was filled out differently than others have been. She said this was still a cost associated with the unfunded liability.

Mr. Bronnert asked about the condition of the facilities in the school corporation. The Superintendent said the elementary school is fifteen years old. The high school had a renovation and addition completed in 1999. The middle school and administration buildings were built in the 1960's and are in good repair.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$2,270,000. Mr. Barnes seconded the motion, which favorably carried 6-0.

Paoli Community School Corporation, Orange County: Officials requested approval of a \$585,000 general obligation bond issue. The issue falls below the threshold for the petition and remonstrance process. Common construction wage information was in order. Tax rate impact is \$0.0294. The term of the issue is ten years.

Present for the hearing was Dr. Al Sibbitt, Superintendent; Lonnie Therber, Therber & Brock and Andy Hollenbeck, Ice Miller.

Project: The project consists of installing a new roof at Paoli-Junior Senior High School.

Comments: The Superintendent spoke about the proposed general obligation bond issue. They are seeking approval of a \$585,000 bond issue to replace the roof at the Jr./Sr. high school. The facility is nineteen years old and the rubber roof is coming apart at the seams.

Mr. Barnes asked if they were going to install extra insulation on the roof. The Superintendent said they would reuse the styrofoam insulation that is on the roof.

Motion: Mr. Barnes made a motion to approve a general obligation bond issue in the amount of \$585,000. Mr. Roberson seconded the motion, which favorably carried 6-0.

Peru Community Schools, Miami County: Officials requested approval of a pension bond issue for \$2.3 million. Tax rate impact is \$0.08. The Neutrality Resolution states the Capital Projects fund will be reduced for tax neutrality purposes. The issue will not eliminate the total liability faced by the school corporation.

Present for the hearing was Tom McKaig, Superintendent; Lois Mongosa, Treasurer; Steve Gough, Administrative Assistant; Paul Stanton, School Board President; Donald Fern, School Attorney; Randy Ruhl, City Securities Corporation; Jane Herndon, Ice Miller; Alex Nelson, Gibraltar Design (lease issue) and Don Mayer, Envoy (lease issue).

Comments: The Superintendent spoke about the proposed pension bond issue. They are seeking approval of a \$2.3 million bond issue. The school board acknowledges the need to address the unfunded liability. They have been working on resolving this issue since the summer of 2000. There is a 401(a) plan in place and they have been reducing the amount of accumulated sick leave. They will use Rainy Day fund will help fund the liability.

Ms. Bond asked if the bond issue would not eliminate the unfunded liability. The Superintendent said no. The remaining balance is approximately \$979,000 and would come from the General fund on an annual basis. Ms. Bond asked why a school board member abstained from the August 9, 2004 vote. Officials said that was an error, they were absent.

Motion: Mr. Roberson made a motion to approve a pension bond issue in the amount of \$2.3 million. Mr. Bowen seconded the motion, which favorably carried 6-0.

Peru Community Schools, Miami County: Officials requested approval of a lease rental agreement with maximum annual rental payments of \$1,985,000 for 20 years. Tax rate impact is \$0.15. There was an application for a petition and remonstrance process. The vote was favorable at 1390 proponents and 1333 opponents. Common construction wage information was in order. Total project costs are \$15 million.

Project: The project began in the summer of 2002 with an evaluation of all school facilities, in particular, all 5 elementary schools, which are in desperate need of repairs and renovation. Declining enrollments also opened discussions regarding the closing of one or two elementary schools. A feasibility study was prepared as a community task force was formed to evaluate numerous options for the school. The first decision was to close Lincoln Elementary, which was constructed in 1928. After several months of meetings and public hearings, the School Board decided to eventually operate with three elementary schools (close Holman Elementary at the completion of the project) and to renovate and improve Peru High School. At the completion of the project, South Peru Elementary would serve as an Early Childhood Development Facility, Elmwood Elementary will operate as a grade 1-3 facility and Blair Pointe Elementary would operate as a Grade 4-6 facility. Educational needs and facility improvements at Elmwood and South Peru include upgrading and replacing HVAC systems, boilers, electrical repairs, renovating and adding classrooms, adding new technology and renovating administrative areas. Peru High School is also in dire need of new and renovated HVAC systems, expanded electrical service, replacing piping systems, improved computer and educational technology and interior furnishings.

The School Corporation did receive a remonstrance petition on the project but successfully won the process. The School Corporation applied for an \$8 million Common School Loan and a \$225,000 Technology Loan for the High School portion of the projects and anticipates approval of these loans in September. Costs for the South Elementary project total \$2,500,580. Costs for the Elmwood Elementary project total \$4,812,230. Costs for Peru High School total \$7,038,190.

Comments: The Superintendent spoke about the proposed project. The project cost is \$15 million and addresses three buildings. A facility study began in 2002 by Gibraltar Design and a demographic study was commissioned by Indiana University's Kelly School of Business. There were twenty-seven community meetings held to gather input on the project. The school board decided to establish a new grade configuration and to renovate two elementary schools and the high school. They will renovate and add space to Elmwood Elementary, Blairpoint Elementary will become a 4th-6th facility and the high school will have new mechanical systems. The goals for the project include: improving air quality, improve learning environment with addition of air conditioning, improve learning environment through grade configuration, improve learning

opportunity, protect the community investment through improvement of the water system and improve general aesthetics of the facility. The community is supportive of the project.

Mr. Bronnert asked if the remonstrance was due to the grade reconfiguration. The Superintendent said officials met with opponents after the 1028 hearing. The opponents did not want to see taxes raised and felt the project could be done with less expense. Mr. Bronnert asked if grade reconfiguration was an issue and the Superintendent said there was some conversation about it. Mr. Bronnert asked if there was some capacity at the two elementary schools and the Superintendent replied there would be upon reconfiguration.

Mr. Barnes asked if there was a common school loan approved to fund a portion of this project and the Superintendent replied yes. Mr. Barnes asked how much and the Superintendent said a little over \$8 million and \$220,000 for technology. Officials said a \$6.7 to \$6.8 million bond issue is anticipated and would use the common school loan to reduce the amount of the bond issue. Mr. Barnes asked if the common school loan was approved by the Department of Education and the Superintendent said yes. Ms. Herndon said revised information could be submitted to the Department of Local Government Finance.

Ms. Bond asked what the school board vote was at the lease hearing and the Superintendent replied 7 to 0. Ms. Bond asked if a year-round school hearing was held and the Superintendent responded yes.

Motion: Mr. Barnes made a motion to approve a lease rental agreement with payments sufficient to offset the common school loan and a total project not to exceed \$15 million. Mr. Bowen seconded the motion, which favorably carried 6-0.

Springs Valley Community Schools, Orange County: Officials requested approval of a \$1.5 million pension issue. Tax rate impact is \$0.0667. The Neutrality Resolution states the Capital Projects fund will be reduced to offset the debt. This issue will reduce the unfunded liability.

Present for the hearing was Robert Haworth, Superintendent; Tom Grabill and Nate Day, Educational Services Company and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a \$2.5 million bond issue.

Ms. Bond asked if the bond issue would not eliminate the unfunded liability and the Superintendent replied no. Ms. Bond asked how much would remain and Mr. Cassman replied about \$800,000.

Ms. Johnson asked how many students were in the district and the Superintendent said just under 1,000.

Mr. Bronnert asked why the bond term of twenty years. The Superintendent said it was due to the neutrality. The Capital Projects fund is limited and they wish to maintain the budget as best

they can. Mr. Bronnert asked about the possibility of future renovations funded through debt service and the Superintendent said it was possible.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$1,500,000. Mr. Bronnert seconded the motion, which favorably carried 5-0-1. Mr. Roberson abstained from the vote.

Plymouth Community School Corporation, Marshall County: Officials requested approval of a pension bond for \$3.5 million. Tax rate impact is \$0.0377. The Neutrality Resolution states the Capital Projects fund will be reduced for neutrality purposes. This issue will eliminate the unfunded liability if a buyout agreement can be negotiated.

Present for the hearing was John Hill, Superintendent; Curt Pletcher, HJ Umbaugh; Jane Herndon, Ice Miller and Mike Bernero and Ray Bockman, Marshall County Taxpayers Awareness Committee.

Comments: The Superintendent spoke about the proposed pension bond issue. They are seeking approval of a \$3.5 million bond issue. The severance is currently funded through the Rainy Day and General funds. The age discrimination clause was eliminated from the contract in 1996, a bridge payment was created in 1998 and a cap on the severance was negotiated in 2000.

Mr. Barnes asked if the intent was to sell bonds and fund an eventual buy out plan and the Superintendent said yes. Mr. Barnes asked what would happen if they do not come to an agreement with employees. The Superintendent said they would then use the General and Rainy Day funds.

Mr. Bronnert asked if the term of the bond issue is twenty-one years and officials replied seventeen years. Mr. Bronnert asked about the condition of the facilities in the school district. The Superintendent said will use the recently approved lease rental agreement to improve their facilities.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$3.5 million. Mr. Barnes seconded the motion, which favorably carried 6-0.

Porter Township School Corporation, Porter County: Officials requested approval of a pension bond issue for \$1,983,585. Tax rate impact is \$0.04. The term of the bonds is 20 years. The Neutrality Resolution states the Bus Replacement fund will be reduced for pension neutrality purposes. This issue will eliminate the unfunded liability.

Present for the hearing was Jim Peterson, Superintendent; Lyle Bonnell, Business Manager and Jim Shanahan and Thomas Peterson, Ice Miller

Comments: The Superintendent spoke about the proposed pension bond issue. They advertised a bond issue amount of \$2.5 million. They are requesting an amount of just over \$1.9 million. The present value of the unfunded liability is estimated at \$1,983,585.

Ms. Bond asked if the bond issue would eliminate the unfunded liability and the Superintendent said yes. Ms. Bond asked if there was an agreement with employees. The Superintendent said they have a tentative agreement and are just waiting on the final vote by teachers. Ms. Bond asked if the \$54,000 in other expense would be paid from the General fund. The Superintendent said they would if retirement funds were not available.

Mr. Bronnert asked if the term of the bond issue was twenty years and the Superintendent said yes. Mr. Bronnert asked about the condition of the school buildings. The Superintendent said the high school is only eight years old, an elementary and the middle school were renovated three years ago and another elementary was renovated a year ago. They will need to remodel the sewage plant and that will be funded through the Capital Projects fund. Mr. Bronnert asked what fund would be reduced to offset the debt and the Superintendent said the Bus Replacement fund only.

Motion: Mr. Bowen made a motion to approve a pension bond issue in the amount of \$1,983,585. Ms. Johnson seconded the motion, which favorably carried 6-0.

Sunman-Dearborn Community School Corporation, Dearborn/Ripley County: Officials requested approval of a pension bond issue for \$14,210,000. Tax rate impact is \$0.185. The term of the issue is 21 years. This issue will reasonably ensure the unfunded liability is eliminated. The Neutrality Resolution states the Capital Projects fund will be reduced to offset the debt.

Present for the hearing was John Roeder, Superintendent; Kris Wilson, Business Manager; Mary Ann Neff, Treasurer; Damian Maggos, City Securities Corporation and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a bond issue in the amount of \$14,210,000. The school board, teachers and community are supportive of the bond issue. Officials expect an agreement to be reached at the next teacher negotiation meeting this month.

Mr. Bronnert asked if the term of the bond issue is twenty-one years. The Superintendent said they would still be able to maintain a tax rate below the maximum. Mr. Maggos said the term might be shortened upon the sale of the bonds.

Mr. Bowen noted the hearing information sheet shows an increase in the Capital Projects fund. The Superintendent said they would remain below the maximum tax rate. Mr. Bowen asked if they were not at the cap previously and the Superintendent replied no.

Motion: Mr. Roberson made a motion to approve a pension bond issue in the amount of \$14,210,000. Ms. Johnson seconded the motion, which favorably carried 6-0.

Portage Township Schools, Porter County: Officials requested approval of a lease rental agreement with maximum annual rental payments of \$3,761,995 for 25 years. Tax rate impact is

\$0.0447 and a new facility appeal impact of \$0.0135. Total costs are \$33 million. Common construction wage information was in order. There was no application for a petition and remonstrance process.

Present for the hearing was Michael Berta, Superintendent; David White, Business Manager; Larry Koenes, Skillman Corporation; Sid Baker, City Securities Corporation and Jim Shanahan and Thomas Peterson, Ice Miller.

Project:

Portage High School, add square footage. Total cost is \$24,197,701.
Portage High School, remodeling existing structure Total cost is \$4,952,286
Aylesworth Elementary, remodel existing structure Total cost is \$250,000
Central Elementary, remodel existing structure Total cost is \$200,000
Crisman Elementary, remodel existing structure Total cost is \$200,000
Jones Elementary, remodel existing structure Total cost is \$200,000
Kyle Elementary, remodel existing structure Total cost is \$200,000
Myers Elementary, remodel existing structure Total cost is \$200,000
Saylor Elementary, remodel existing structure Total cost is \$200,000
South Haven Elementary, remodel existing structure Total cost is \$200,000
Fegely Middle School, remodel existing structure Total cost is \$117,000
Willowcreek Middle School, remodel existing structure Total cost is \$117,000

Comments: The Superintendent spoke about the project. The total project cost is \$33 million. Portage High School was built in 1979. At that time, they had twenty athletic teams and now there are sixty. The community has grown since 1979. Technology needs in 1979 were also at a minimum, but now they are more sophisticated. The special education population in 1999 was 1,091 and in 2003 was up to 1,419 students. The project would provide self-contained classrooms for special needs students. They will consolidate two media centers into one and create more classroom space. The project includes seventeen new classrooms. The music education area will be increased. The security at the eight district elementary schools will be addressed. The playground equipment will be upgraded at seven elementary schools. Officials were unsuccessful with a prior building project due to a proposed Kindergarten center. The community is supportive of this project due to the removal of the Kindergarten project.

Ms. Johnson asked if the earlier project was defeated by remonstrance due to full-day Kindergarten. The Superintendent said no, it was a proposed centralized Kindergarten facility. The community preferred the Kindergarten programs to be in the neighborhood schools.

Mr. Bronnert asked about growth mentioned earlier. The Superintendent said he was referring to the special education student increase. The overall student count is up 60 to 65 students.

Motion: Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$3,751,985 for a term of 25 years. Ms. Johnson seconded the motion, which favorably carried 6-0.

East Gibson School Corporation, Gibson County: Officials requested approval of a pension bond issue for \$2.1 million. Tax rate impact is \$0.0922. The Neutrality Resolution states the Capital Projects and/or Bus Replacement funds will be reduced to offset the debt. The term of the issue is 15 years. This issue is expected to eliminate the unfunded liability.

Present for the hearing was Lynn Blinzinger, Superintendent; Colette Irwin-Knott, HJ Umbaugh and Jane Herndon and Jim Shanahan, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a bond issue in the amount of \$2.1 million. There was an agreement on what to do before negotiations began. Officials will buy out the retirement bridge from the old contract.

Ms. Bond asked if the bond issue would eliminate the unfunded liability. The Superintendent said it would not cover sick days entirely, which have been capped at 215 days.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$2.1 million. Mr. Bowen seconded the motion, which favorably carried 6-0.

Loogootee Community School Corporation, Martin County: Officials requested approval of a pension bond issue for \$3,330,000. Tax rate impact is \$0.1754. The term of the issue is 20 years. The Neutrality Resolution states the Capital Projects fund will be reduced for neutrality purposes. This issue greatly reduces the unfunded liability.

Present for the hearing was Larry Weitkamp, Superintendent; Dan Kramer and Angie Steeno, Crowe Chizek and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a bond issue in the amount of \$3,330,000 to cover a major portion of their unfunded liability. The bond issue would cover health insurance and the bridge payment. The rest of the severance liability is capped and will reduce in the near future. An agreement with teachers is in place and the Capital Projects fund will be reduced to offset the debt.

Mr. Bronnert asked if the term of the bond is twenty years and the Superintendent replied yes. Mr. Bronnert asked about the condition of the buildings in the district. The Superintendent said they had a renovation project in 2000 they expect to last for many years to come.

Mr. Barnes suggested school officials investigate the possibility of getting health insurance through the state plan. He felt they could save money by going through the state plan.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$3,330,000. Mr. Bronnert seconded the motion, which favorably carried 6-0.

Baugo Community Schools, Elkhart County: Officials requested approval of a pension bond issue for \$1.6 million. Tax rate impact is \$0.0268 with a term of 15 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. The issue should eliminate the unfunded liability.

Present for the hearing was Jerry Cook, Superintendent; Terry Hilyard and Pat Billey, School Officials; Dan Friel, Labor Attorney; Tom Grabill and Nate Day, Educational Services Company and Jane Herndon, Ice Miller.

Comments: The Business Manager spoke about the proposed pension bond issue. They are requesting a bond issue in the amount of \$1.6 million. Officials feel they will be able to handle the neutrality at this amount. They have replaced all boilers, electrical systems and air conditioning at their facilities.

Ms. Bond noted the Capital Projects fund would be reduced and the bond issue would eliminate the unfunded liability.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$1.6 million. Mr. Bowen seconded the motion, which favorably carried 6-0.

Baugo Community Schools, Elkhart County: Officials requested approval of a new facility appeal for \$87,070 for the new performing arts building and the media center. Tax rate impact is \$0.0206. The project under which the new facility appeals falls was for a new facility and demolition at Jimtown High School. Officials ask for one custodial salary, property services, and supplies.

Comments: The Business Manager spoke about the new facility appeal. Officials are asking for costs associated with increased utilities and one custodian. They added 40,000 square feet to the facility.

Ms. Bond asked if the appeal was for Jimtown High School and the Business Manager said yes. Ms. Bond asked if this was the last piece of this appeal. The Business Manager responded yes, they received \$300,000 for 90% of the appeal last year. Ms. Bond asked if the appeal amount was \$87,070 and the Business Manager said yes. Ms. Bond asked if the appeal was advertised properly and the Business Manager said yes.

Mr. Barnes questioned the increase of health insurance by \$17,000 for just one employee. The Business Manager reviewed the information and felt that was the increase of all the custodial staff. Ms. Bond asked if the group insurance request should then be reduced and the Business Manager agreed. Mr. Barnes suggested reducing the amount of the request to \$80,000.

Motion: Mr. Barnes made a motion to approve a new facility appeal in the amount of \$80,000. Mr. Bronnert seconded the motion, which favorably carried 6-0.

South Newton School Corporation, Newton County: officials requested approval of a pension bond issue for \$3.5 million. The tax rate impact is \$0.10 with a term of 15 years. The Capital Projects fund will be reduced for neutrality purposes. This issue will eliminate the unfunded liability.

Present for the hearing was Ed Corbin, Superintendent; Lonnie Therber, Therber & Brock and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. The school board will approve the contract at their meeting next Monday and the teachers have already approved it. The Capital Projects fund will be reduced to offset the debt. The high school was built in 1970 and has been renovated, a new elementary was built in 1999 and an addition was built at the middle school on 2000.

Mr. Bowen asked if they were at the maximum Capital Projects fund tax rate and the Superintendent said yes.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$3.5 million. Mr. Barnes seconded the motion, which favorably carried 6-0.

Washington Community Schools, Daviess County: Officials requested approval of a general obligation bond issue for pension purposes for \$9,290,000. Tax rate impact is \$0.27 with a term of 15 years. The Neutrality Resolution states the Capital Projects, Bus Replacement and/or Transportation funds will be reduced in 2005 to offset the debt. This issue will eliminate the unfunded liability.

Present for the hearing was Tom Miller, Superintendent; Bruce Hatton, Assistant Superintendent; Lonnie Therber, Therber & Brock and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. They are seeking approval of a \$9,290,000 bond issue with a term of fifteen years. They have reached an agreement with the teachers.

Ms. Bond asked if the Capital Projects and Bus Replacement funds would be reduced to offset the debt and the Superintendent said yes.

Mr. Bronnert asked if they were using their available bond capacity and the Superintendent replied yes. Mr. Bronnert asked about the condition of the buildings in the school district. The Superintendent said they just renovated several buildings. The Jr./Sr. High School will need to be addressed as well as increasing elementary school space. They expect to pursue a lease rental agreement in the near future. Mr. Bronnert asked about the likelihood of a major project at the high school. The Superintendent said it is likely, but they will try to time that project as old debt pays off to maintain a level tax rate.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$9,290,000. Mr. Bronnert seconded the motion, which favorably carried 6-0.

Jennings County Schools, Jennings County: Officials requested approval of a pension bond issue for \$4million. Tax rate impact is \$0.0415 with a 15-year term. Two board members were absent for the public hearing but are in favor of the project. The Neutrality Resolution states the

Capital Projects fund will be reduced in 2005 to offset the debt. The issue will eliminate the unfunded liability.

Present for the hearing was Michael Bushong, Superintendent; Amber Fields, Business Manager; Tom Grabill and Nate Day, Educational Services Company and Sue Beesley, Bingham McHale.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials began looking at this issue in November 2002. An actuarial study was completed in March 2003. It determined a liability of \$11,069,888, with \$6,644,061 attributable to the Social Security bridge payments. The contract was ratified and approved by the school board in August 2004. The Capital Projects fund will be reduced to offset the debt. Officials believe they can handle the severance and unused sick leave portion of the liability. They are looking at a building project that would impact their 2006 budget. The school board has approved the process of looking into a building project.

Mr. Barnes noted officials might want to consider looking into the state plan for health insurance to lower their cost for premiums.

Motion: Mr. Bowen made a motion to approve a pension bond issue in the amount of \$4 million. Ms. Johnson seconded the motion, which favorably carried 6-0.

Elwood Community School Corporation, Madison County: Officials requested approval of a pension bond issue for \$2.3 million. Tax rate impact is \$0.069 with a 15-year term. The Bond Resolution states the Capital Projects, Bus Replacement and/or Transportation funds will be reduced to offset the debt. This issue will eliminate the unfunded liability.

Present for the hearing was Tom Austin, Superintendent; Joa Griffith, School Official; Tom Grabill and Nate Day, Educational Services Company and Jeff Qualkinbush, Barnes & Thornburg.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials have been in negotiations with teachers. The old plan allows for health insurance for retirees until age 65, unused sick days pay up to 120 days and years of service. The new plan includes a 401(a) and VEBA account. Officials expect to reduce their annual expenditures to \$65,000. The plan has been approved by the teachers and school board. They will reduce the Bus Replacement fund in 2005 and expect to maintain their bus fleet by replacing two buses per year.

Mr. Barnes asked if the VEBA would be managed by a third party. The Superintendent said Met Life was mentioned in the contract.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$2.3 million. Ms. Johnson seconded the motion, which favorably carried 6-0.

Delphi Community School Corporation, Carroll County: Officials requested approval of a lease rental agreement with maximum annual rental payments of \$445,004 for five years. Tax rate impact is \$0.10. Total project costs are \$1,935,000.

Present for the hearing was Dr. John Williams, Superintendent; Barry Emerson, School Attorney; Lonnie Therber, Therber & Brock and Jeff Qualkinbush, Barnes & Thornburg.

Project: Officials entered into an energy savings contract with Siemens Building Technologies to finance mechanical systems improvements to Camden and Hillcrest Elementary Schools, Delphi Middle and High Schools. Principal and interest payments are being made from the capital projects fund. The School Corporation now requests approval of a lease with the School Corp. will pay lease rentals from the debt service fund to the building corporation and the Building Corporation will pay the remaining lease payments. This allows funds in the capital projects fund to be used for other purposes.

Comments: The Superintendent spoke about the project. Officials have been exploring ways to increase funds in the Capital Projects fund. They wish to shift the energy savings contract to a lease rental entered into in 1999. They met with DLGF staff regarding this issue and were told to proceed through the debt process. There was no remonstrance filed and no one spoke against the project. The public had been suggesting they find ways to finance the contract. The debt has an estimated \$0.10 tax rate impact.

Mr. Bowen asked if officials have been receiving annual reports on the energy savings and the Superintendent replied yes. Mr. Bowen asked how they have been doing on the savings and the Superintendent said they are meeting the goal.

Mr. Barnes asked when bonds would be sold. Mr. Qualkinbush said there would be no bond issue. They would assign the energy savings contract to the building corporation who will charge lease payments to the school corporation. The lease payments are allowed to be paid through debt service and DLGF staff was comfortable they went through the remonstrance process. Mr. Barnes asked if there was no opportunity to buy out the contract and the Superintendent replied no.

Motion: Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$445,004 for 5 years. Ms. Johnson seconded the motion, which favorably carried 5-0-1. Mr. Barnes abstained from the vote.

Clay Community Schools, Clay/Parke County: Officials requested approval of a pension bond for \$3,150,000. Tax rate impact is \$0.0446 with a twelve-year term. The Bond Resolution states the Capital Projects, Bus Replacement and Transportation funds will be reduced to offset the debt. This issue will reduce the unfunded liability.

Present for the hearing was Bill Schad, Superintendent; Randy Burns, Business Manager; Dave Wimmer, Hilliard Lyons and Jeff Qualkinbush, Barnes & Thornburg.

Comments: The Superintendent spoke about the proposed pension bond issue. The current retirement plan pays for unused sick leave, years of service and a Social Security bridge payment to employees with at least fifteen years service with the school district and meeting the rule of 85. A 401(a) plan is currently in place that is reducing the unfunded liability. Under the new plan, the school corporation pays a single health insurance premium for retirees. The unfunded liability is estimated to be \$14,730,432 assuming a discount rate of 2.5%. Officials are currently working on a buy out plan with employees, but anticipate a positive resolution. The new employees would receive an annual contribution to their 401(a) plan. Officials plan to invest the bond proceeds into a guaranteed account earning 4% interest. They anticipate reducing the liability by \$4 million. Officials realize this is not the most ideal situation, but expect to reach an agreement on the buy out. The Capital Projects fund will be reduced in 2005 to offset the debt. The buildings in the district are in good shape and feel the reduction for twelve years is reasonable.

Mr. Barnes asked what would happen with the bond proceeds. Mr. Qualkinbush said they would go into fund 62 if an agreement is not reached by the end of the year. Mr. Barnes thought there was a limitation on the investment options of a school corporation. Mr. Qualkinbush said they can be invested in a manner that the Indiana Bond Bank is allowed per the statute. Mr. Bronnert asked why they did not request a bond issue up to the bond capacity. The Superintendent said the Capital Projects fund could not handle such a large reduction.

Motion: Mr. Roberson made a motion to approve a pension bond issue in the amount of \$3,150,000. Mr. Bowen seconded the motion, which favorably carried 6-0.

Linton-Stockton School Corporation, Greene County: Officials requested approval of a \$2.6 million pension issue. Tax rate impact is \$0.1284 with a twenty-year term. The Bond Resolution states the Capital Projects and Bus Replacement funds will be reduced to offset the debt. This issue will reduce the unfunded liability.

Present for the hearing was Ron Bush, Superintendent; Dave Wimmer, Hilliard Lyons and Jeff Qualkinbush, Barnes & Thornburg.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials have been in negotiations with teachers and employees. The old plan included payments for sick days and years of service, as well as health insurance coverage. The new plan includes a 401(a) and VEBA along with payments for years of service and up to 130 sick days. The school corporation will contribute annually to the 401(a) accounts. They expect to see a cost reduction to the General fund of \$150,000 with the buy out. The new plan has been approved by the staff and the school board. Officials expect to reduce the Capital Projects fund by approximately \$291,000 in 2005.

Mr. Bronnert asked if the bond issue would eliminate the unfunded liability and the Superintendent said yes.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$2.6 million. Mr. Roberson seconded the motion, which favorably carried 6-0.

Clarksville Community School Corporation, Clark County: Officials requested approval of a pension bond issue for \$3.1 million. Tax rate impact is \$0.0738 with a thirteen-year term. The Bond Resolution states the Bus Replacement, Transportation and/or Capital Projects funds will be reduced to offset the debt. This issue will eliminate the unfunded liability.

Present for the hearing was Sam Gardner, Superintendent; Paul Love, Assistant Superintendent; Mike Shanasy, Indiana State Teacher's Association and Jeff Qualkinbush, Barnes & Thornburg.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting a bond issue in the amount of \$3.1 million. An actuarial study indicated the need to pursue a pension bond issue. The bond issue will eliminate the unfunded pension liability. Officials anticipate a savings of \$230,000 in the General fund due to the buy out.

Mr. Bronnert asked about the reimbursement listed on the hearing information sheet. Ms. Irwin-Knott said that represented expenditures since June 30, 2001. Mr. Bronnert asked about the condition of the buildings in the school district. The Superintendent said they have four buildings total, three are modern and up to date and the elementary school is aging with no pressing needs. The Capital Projects fund will be able to maintain their facility needs even at a reduced level.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$3.1 million. Mr. Bronnert seconded the motion, which favorably carried 6-0.

Elkhart Community Schools, Elkhart County: Officials requested approval of a lease rental agreement with maximum annual rental payments of \$1,615,550 for 22 years. Tax rate impact is \$.06 with a new facility appeal impact of \$.01. Total project costs are \$18,310,000. There was no application for a petition and remonstrance process. Common construction wage information was in order.

Present for the hearing was Mark Mow, Superintendent; Doug Hasler, Executive Director of Support Services and Jeff Qualkinbush, Barnes & Thornburg.

Project: The project is construction of a building on a site acquired by the Elkhart Community Schools from City of Elkhart. The new location falls within attendance areas for Roosevelt School. The new site is an improvement over the old site for the following reasons: provides more space for growth, problems occur when operating school on the same site as new construction occurs and the project allows the school to build a building with a clean slate. The increased space allows sufficient classroom space to modify attendance area boundaries of nearby elementary schools, which have exhausted available classroom space, and in order to provide space for additional sections of full day kindergarten and Head Start. The existing building will become property for the City of Elkhart.

Comments: The Superintendent spoke about the proposed project. The project involves the replacement of Roosevelt Elementary School with a new facility.

Mr. Hasler continued the discussion. The land was acquired from the City of Elkhart. The current facility was built in 1921 and has been renovated several times over the years. They need additional space at the facility and they are seeing an increase of English as a Second Language students. Officials could hold full-day Kindergarten at the new facility. There were no objections raised by the community or remonstrance petitions filed.

Ms. Bond asked if the facility would be built on land from the City of Elkhart and Mr. Hasler replied yes. Ms. Bond asked if the existing facility would go to the City of Elkhart. Mr. Hasler said it would upon completion of the project.

Mr. Bowen asked if the district would abandon the old facility and Mr. Hasler replied yes. Mr. Bowen asked about the size of the current facility and the Superintendent said 87,000 square feet.

Mr. Bronnert asked about the size of the new facility and Mr. Hasler responded 104,000 square feet. Mr. Bronnert noted the school could only request a new facility appeal for the difference of the old and new facility. Mr. Hasler noted they would only request for an additional custodian as they expect the new building to be more energy efficient.

Ms. Bond asked if this would be a two or three section school and the Superintendent replied four. Ms. Bond asked if this would be a K-5 facility. The Superintendent said K-6. Ms. Bond questioned the school board vote reported on page 13 of the hearing information sheet and Mr. Hasler said it was reported correctly. Ms. Bond asked when officials anticipated beginning construction and officials said the beginning of January, weather permitting. They wish to complete construction in 2006.

Motion: Ms. Johnson made a motion to approve a lease rental agreement with maximum annual payments of \$1,658,550 for 22 years. Mr. Bronnert seconded the motion, which favorably carried 6-0.

CSC of Southern Hancock County, Hancock County: Officials requested approval of general obligation bond issue for \$1,990,000. Tax rate impact is \$0.0411 for six years. The petition and remonstrance process was not applicable for this project. Common construction wage information was in order.

Present for the hearing was Jim Halik, Superintendent; Bob Yoder, Assistant Superintendent; Kari Vilamaa, Architect; Steve Meno, Fifth Third Securities and Karl Sturbaum, Bose McKinney & Evans.

Project: The project consists of the addition of six classrooms at the high school and also an expanded cafeteria at the same site. A wrestling room will be added along with additional seating to the outdoor facility. At Doe Creek Middle School, a storage/restroom building will be added along with additional seating for the outdoor athletic facility.

Comments: The Assistant Superintendent spoke about the proposed project. A new law is in place allowing smaller projects to be funded without the expense of a bond issue. Most of the proposed project focuses on the high school. They will expand the cafeteria, add six classrooms, addition of two science labs, expand the wrestling room and replace the visitors bleachers. There has been no community concerns expressed except a question as to the number of classrooms added being sufficient.

Ms. Hemmerle noted the lack of debt capacity available for this project. Mr. Sturbaum explained he met with DLGF staff to discuss this issue and submitted a memo explaining his position. They are waiting on a response from that meeting. They feel the pension bond exclusion from the 1/3 of 2% assessed value means it should be exempt when calculating the general obligation bonding capacity. Mr. Sturbaum requested an approval in lieu of the DLGF response.

Mr. Barnes asked if there would be debt capacity available if the outstanding pension bond is ignored and Mr. Sturbaum replied yes.

Motion: Mr. Barnes made a motion to approve a \$1,990,000 general obligation note subject to the determination of the statutory debt capacity. Ms. Johnson seconded the motion, which favorably carried 6-0.

Mr. Barnes was absent the remainder of the meeting.

Bloomfield School District, Greene County: Officials requested approval of a \$1 million public works project. Tax rate impact is \$0.1044 with a term of six years.

Present for the hearing was Ron Hasler, Superintendent and Karl Sturbaum, Bose McKinney & Evans.

Project: The project is repair and replacement of the existing roof on the Bloomfield Jr/Sr High School.

Comments: The Superintendent spoke about the project. They are a small school district. The Jr./Sr. High School was built in 1986 and the roof needs to be replaced. The area is 83,000 square feet. They have replaced portions of the roof already. This project completes the roofing needs of the entire school district. The project also involves the removal of skylights, which have problems with leaking.

Mr. Bowen asked about the process for this project. The Superintendent said someone was hired to oversee the bidding process and would follow the project through the entire process. Mr. Bowen asked if that individual was a registered engineer and the Superintendent said he is not, but someone is in the firm.

Motion: Mr. Bronnert made a motion to approve a \$1 million general obligation note. Ms. Johnson seconded the motion, which favorably carried 5-0.

Bloomfield School District, Greene County: Officials requested approval of a \$2.4 million pension bond. Tax rate impact is \$0.1144 for 20 years. The Bond Resolution states the Capital Projects fund will be reduced to offset the debt. This issue will eliminate the unfunded liability.

Comments: The Superintendent spoke about the proposed pension bond issue. They have one of the richest retirement plans in the state. They have a ratified plan with teachers and the school board has approved the plan. The present value of the unfunded liability is \$8.3 million and is increasing \$900,000 per year. They will have a funded plan and retirees will pay their own health insurance. The buyout includes a 401(a), which represents 80% of the payment and a VEBA account getting the remaining 20%. A 403(b) plan will receive a percentage of the individual's salary paid by the school corporation. The Capital Projects fund will be reduced to offset the debt. They have historically kept the tax rate low in the fund. Officials feel the facilities are in good shape when the pending roofing project is completed. They expect to reduce the Capital Projects fund by 40%.

Mr. Bronnert asked if this would eliminate the unfunded liability and the Superintendent said yes, except for \$307,000 for current retirees in fund 62.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$2.4 million. Mr. Bowen seconded the motion, which favorably carried 5-0.

South Dearborn Community School Corporation, Dearborn County: Officials requested approval of a \$2.3 million pension bond. Tax rate impact is \$0.0392 for 15 years. The Bond Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. The issue will reduce the unfunded liability.

Present for the hearing was Thomas Book, Superintendent; Damian Maggos, City Securities Corporation and Karl Sturbaum, Bose McKinney & Evans.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a bond issue in the amount of \$2.3 million. Officials properly advertised and held the public meeting as required. The current plan includes a bridge payment to Social Security and a severance package. Individuals are vested upon fifteen years of service with the school district and meeting the rule of 85. Retirees receive a one-time payment for years of service and unused sick days. A 401(a) plan has been in place since 1999 and has reduced the unfunded liability. The present value of the unfunded liability is \$3,580,324. The \$2.3 million bond issue would eliminate the bridge payment, but not the severance payment. Officials feel the severance portion is small enough to be handled each year. They have reached an agreement with the teachers and expect the school board to approve the plan at their October meeting. The Capital Projects fund will be reduced to offset the debt. The technology staff salaries will be paid out of the General fund due to the reduction of the Capital Projects fund.

Motion: Mr. Roberson made a motion to approve a pension bond issue in the amount of \$2.3 million. Mr. Bronnert seconded the motion, which favorably carried 5-0.

North Newton School Corporation, Newton County: Officials requested approval of a \$3.1 million pension bond. Tax rate impact is \$0.073 for 15 years. The Bond Resolution states the Capital Projects and Bus Replacement funds will be reduced in the first year for neutrality purposes. The issue will fully fund the buyout that was negotiated with the North Newton Education Association.

Present for the hearing was Rob Neier, Superintendent; Karen Zackfia, Director of Business; Colette Irwin-Knott, HJ Umbaugh and Karl Sturbaum, Bose McKinney & Evans.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting a \$3.1 million bond issue to eliminate their unfunded liability. The agreement with teachers is pending the ratification by both sides. The forecasted unfunded liability is \$9.8 million. The Capital Projects and Bus Replacement funds will be reduced to offset the debt.

Mr. Bronnert asked about the condition of the schools in the district. The Superintendent said they are in the process of studying facility needs. The high school and an elementary school are in good shape, but two other facilities need some work. The possible project would not affect tax rates until 2007. Mr. Bronnert asked if the Capital Projects fund was unable to cover these projects. The Superintendent said the Capital Projects fund could handle needs until the decision is made on the project.

Mr. Roberson asked if two school board members abstained or were absent at the bond hearing. The Superintendent said they were absent.

Ms. Bond asked about the reimbursement listed on the hearing information sheet. Ms. Irwin-Knott said it was for expenses paid out since June 30, 2001.

Motion: Mr. Bowen made a motion to approve a pension bond issue in the amount of \$3.1 million. Mr. Bronnert seconded the motion, which favorably carried 5-0.

School City of Hobart, Lake County: Officials requested approval of a \$2,680,000 pension bond. Tax rate impact is \$0.0547 with a ten-year term. The Bond Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. The issue does not eliminate the unfunded liability.

Present for the hearing was Jack Leach, Superintendent; Peter Goerges, School Attorney; Jim Elizondo, City Securities Corporation and Karl Sturbaum, Bose McKinney & Evans.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting a \$2,680,000 bond issue with a term of ten years. Officials have negotiated a settlement with teachers. The proceeds of the bond issue will be placed in individual 401(a) and VEBA accounts. The Capital Projects fund will be reduced to offset the debt. They recently updated most mechanical systems in the facilities.

Mr. Bronnert asked if the contract has been signed and the Superintendent said it still needs to be ratified. Mr. Bronnert asked if this would eliminate the unfunded liability and the Superintendent replied yes.

Ms. Bond asked if this agreement covers all certified staff. The school attorney said the agreement covers teachers and there is a very small liability for the other staff.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$2,680,000. Mr. Roberson seconded the motion, which favorably carried 5-0.

Shoals Community School Corporation, Martin County: Officials requested approval of a \$1.9 million pension bond. Tax rate impact is \$0.16 with a thirteen-year term. The Bond Resolution states the Capital Projects fund will be reduced in the first year of repayment. This issue will eliminate the unfunded liability.

Present for the hearing was Stan Mozier, Assistant Superintendent; Lonnie Therber, Therber & Brock and Karl Sturbaum, Bose McKinney & Evans.

Comments: The Assistant Superintendent spoke about the proposed pension bond issue. Officials have been in negotiations with teachers and are close to reaching an agreement.

Mr. Bowen asked if the Bus Replacement fund would be reduced to offset the debt. The hearing information sheet reflected a zero rate in both columns on page 4 of the hearing information sheet. Mr. Therber said there was a tax rate in pay 2003, but there may not be in pay 2004.

Ms. Bond asked if the bond issue eliminates the unfunded liability for all certified staff. The Superintendent said it eliminates for all staff, including the administration. The new plan includes a 401(a)/403(b) plan.

Motion: Mr. Bowen made a motion to approve a pension bond issue in the amount of \$1.9 million. Ms. Johnson seconded the motion, which favorably carried 5-0.

Northern Community Schools, Tipton County: Officials requested approval of a pension bond issue for \$2,550,000. Tax rate impact is \$0.0963 for 18 years. The Bond Resolution states the Capital Projects fund will be reduced the first year of repayment. This issue eliminates the unfunded liability.

Present for the hearing was Karl Sturbaum, Bose McKinney & Evans.

Comments: Ms. Bond noted this issue had been tabled from the August control board meeting. Mr. Sturbaum said the original actuarial study indicated a liability of \$1.9 million and the requested bond issue is \$2,550,000. Mr. Sturbaum submitted a revised actuarial study assuming a retirement age of 58 and a discount rate of 2.5%. This reports a liability greater than the requested bond issue of \$2,550,000.

Mr. Roberson asked if the absent school board member was in favor of the bond issue and Mr. Sturbaum was not sure.

Motion: Mr. Roberson made a motion to approve a pension bond issue in the amount of \$2,550,000. Ms. Johnson seconded the motion, which favorably carried 5-0.

Adjournment: There was no further business to discuss and the meeting was adjourned.